

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

**NATIONAL INDOOR FOOTBALL
LEAGUE L.L.C.,**

Plaintiff

v.

R.P.C. EMPLOYER SERVICES, INC.,

Defendant.

CIVIL DIVISION

NO. CA 2 - 548

TYPE OF PLEADING:

**Plaintiff's Exhibits to Reply
to the Defendant's Motions in
Limine with Respect to Plaintiff's Damages**

JURY TRIAL DEMANDED

FILED ON BEHALF OF:

Plaintiff

COUNSEL FOR PLAINTIFF:

TIMOTHY C. LEVENTRY, LL.M

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**PLAINTIFF'S EXHIBITS TO REPLY TO THE DEFENDANT'S
MOTIONS IN LIMINE WITH RESPECT TO PLAINTIFF'S
DAMAGES**

HERF DEPOSITION EXCERPTS	A
BLATERI DEPOSITION EXCERPTS	B
APRIL 13, 2001 LETTER	C
SHIVER DEPOSITION EXCERPTS	D
APRIL 17, 2001 LETTER	E
CERTIFICATE OF PREMIUM PAYMENT - MARCH 30, 2001 THROUGH MAY 14, 2001	F
CERTIFICATE OF PREMIUM PAYMENT - MARCH 30, 2001 THROUGH AUGUST 31, 2001	G
D'ALIO DEPOSITION EXCERPTS	H

1 responsible for handling the adjustments to
2 accounts; things like that.

3 Q. Did he work under you?

4 A. Yes. He worked for a director under me.

5 Q. He wasn't directly under you; there was
6 another person between you and him?

7 A. Yes.

8 Q. And who would that person have been?

9 A. Al Monahan.

10 Q. Now, if a company wants to obtain
11 workers' compensation insurance through the Bureau,
12 and for purposes of this deposition we refer to the
13 Ohio Bureau of Workers' Compensation as the Bureau,
14 what would they do if they wanted to obtain
15 coverage?

16 A. Fill out an application. Pay a -- either
17 a minimum or an estimated premium, and establish
18 coverage.

19 Q. What type of information would be
20 required from the employer for the Bureau to
21 determine whether coverage would be available?

22 A. You know, I would probably refer you to
23 the Bureau's application form, would be the easiest
24 way to get all the specifics of that. In fact, I

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1 can give you a very general term. But if you wanted
2 the specifics, that's the best thing to do would be
3 to get a copy of the application.

4 Q. Let's for purposes of today, generally
5 what would be required of the employer?

6 A. You know, basic name, address, when your
7 company began doing business in the state of Ohio.
8 The nature of your company so we can properly
9 determine the appropriate manual classification to
10 determine premium rates. A specific date on when
11 you began payroll, because you can begin, you know,
12 at any time. Typically, then, a signature of an
13 officer of the company. What name; address. If
14 you're doing business as a dba. That would be the
15 general type of information.

16 Q. Would there be questions on there about
17 where the workers reside?

18 A. I don't recall. There may be. I just
19 don't recall.

20 Q. Now, when a person submits that
21 application, do they pay a premium of some type
22 before there's even a determination of coverage?

23 A. Typically, you would do one of two
24 things. You'll either pay \$10 to initiate to

Deposition of Rex G. Blateri October 6, 2003

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exact date, but I'll try to get a month. And on my best recollection, that sometime in March of 2001 I attended a meeting that was requested by Jere Pasternack of PRM, the third-party administrator representing R.P.C. And Mr. Dan D'Alio, Al Monahan, from risk technical, and Kay Spicer from risk technical.

Q. And where was that meeting at?

A. It was in Columbus at the William Green building.

Q. And could you tell us what -- First of all, did Mr. D'Alio request that meeting?

A. I do not know who exactly initiated the meeting. I'm sorry. It was either Mr. D'Alio or Ms. Pasternack.

Q. Would the Bureau have initiated that meeting?

A. It could be. It could have been.

Q. Okay. So there was a meeting here with those individuals that you testified about. Can you tell us what the basis of that meeting was?

A. The basis of the meeting was to discuss the type of relationship that was being considered between the PEO and the National Indoor Football

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League.

Q. And could you tell us here today what was your understanding of that relationship?

A. The relationship that I remember being described to me was that the National Indoor Football League was a rather new football league, indoor football league, of course, that would be coming and playing in different parts of the United States. But they requested our opinion on the jurisdictional issue with the type of relationship if the PEO would and/or could cover their -- the players and league personnel through the PEO located in Ohio.

Q. Okay. Let me just ask you a couple of specific questions about your understanding.

A. Okay.

Q. Was it your understanding that the teams that made up the NIFL would not play their games in the state of Ohio?

A. At the meeting that was not finalized, I would say. There was still some questions after the meeting of if there was anything going to be played in the state of Ohio.

Q. At the time of the meeting, what was

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the -- your understanding about the headquarters for the league?

A. The headquarters was currently located in Louisiana. And that they, they being the PEO and the National Indoor Football League, had worked out some type of arrangement to relocate the league headquarters to Ohio.

Q. Okay. Based on the understanding that you had at that meeting, could you tell us today what Dan D'Alio and Ms. Pasternack were advised by you and the other members from the Bureau?

A. Sure. At the meeting I can -- it was conveyed to Jere Pasternack and Mr. D'Alio that if the -- if the teams did not locate -- were not located in the state of Ohio, if they did not operate in the state of Ohio, then --

Q. You mean the teams?

A. The teams. The teams did not operate in the state of Ohio, we did not see any possibility of Ohio granting coverage to the National Indoor Football League through the PEO.

Q. Okay. Mr. Blateri, what was the date of your meeting?

A. I do not know that. I do not know the

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exact date.

Q. If I showed you actually what's Exhibit 3 to Mr. Herf's deposition, which is some -- a print-out of some e-mails --

A. Okay.

Q. -- would this refresh your memory? And I think these go in reverse order.

A. Yes. The first one?

Q. I think the first entry is down at the bottom of the first page.

A. Oh, okay. This is a separate, I take it, because this is Page 1. It says March 16th. Yesterday. Okay. I was looking for some type of word, some type of notice. So it appears that it was March -- March 15th, 2001. Because I'm quoting as yesterday, and the e-mail is dated March 16th.

Q. So this e-mail that you're referring to on this exhibit, is this an e-mail from you?

A. Yes.

Q. And it's dated March 16th, 2001, at 9:50 a.m.

A. Yes.

Q. And you sent it to Tom Sico.

A. Sico, yes.

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1 Q. You tell me, again, what you advised
2 them.
3 A. Yeah. Sure. I gave an informal or
4 unofficial observation based on the high level
5 scenario that they gave me, Al Monahan and Kay
6 Spicer, that it did not appear that this would fall
7 under the Bureau's jurisdiction to provide coverage.
8 And that basically caused the e-mail to our law
9 department that we left it as we will get an
10 official word from our law department.
11 Q. So after March 15th, did any facts
12 actually -- did any facts change from what you were
13 told by Mr. D'Alto or Ms. Pasternack at your
14 meeting?
15 A. Actually, no, it did not. Everything --
16 I'm trying to think. For the most part how they
17 described the relationship and how the National
18 Indoor Football League would operate, there was no
19 drastic change in what was told to us at the
20 meeting.
21 Q. Okay. So you have a meeting on
22 March 15th. There's some internal e-mails regarding
23 this matter. The Bureau receives on March 30th the
24 application from the NIFL. And a certificate is

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1 the NCCI manual classifications pertaining to their
2 operation.
3 Q. Would they assign a policy number?
4 A. And once the process is complete, the
5 system would automatically generate a policy number.
6 Yes. So, yes, the policy number would be assigned
7 then.
8 Q. So at any time through this process you
9 just described, would your department have seen the
10 application and known this application had even come
11 in?
12 A. No.
13 Q. Okay. To the best of your recollection
14 and/or records, when did you learn that the NIFL had
15 actually applied for coverage?
16 A. I think upon -- You know, I do not know
17 the exact date. I could not tell you the exact date
18 when I was personally notified of the account being
19 established for the National Indoor Football League.
20 Q. Based on your records, do you -- what
21 appears to be the date you have first records of
22 this?
23 A. It was not soon -- or it was soon after
24 the account was established.

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1 issued. You don't know the exact date, but it's
2 showing coverage from 3-30-2001 through 5-14-2001.
3 A. Yes.
4 Q. Would the application -- Let me just
5 rephrase that. When the application comes into the
6 Bureau, who does it go to specifically?
7 A. The application is directed to the cash
8 control unit.
9 Q. Cash?
10 A. Cash control. It's a unit that
11 establishes and assigns an application number and
12 basically processes the \$10 payment or any kind of
13 payment that's accompanying the application.
14 Q. Okay. And then after that department,
15 where does the application then go?
16 A. The application would then go to -- I'm
17 trying to think. We had some name changes of our
18 department, so excuse me. It would go to the risk
19 processing department, which is now we refer to as
20 our policy services department, and where the
21 application would be processed there. And when I
22 mean process, they would enter the demographic
23 information into the system. They would calculate a
24 premium security deposit billing. They would assign

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1 Q. Would -- So I'm clear on that, do you
2 mean after the certificate of insurance would have
3 been issued?
4 A. Yes.
5 Q. Okay. And was it after that, then, that
6 you continued with this investigation, and you
7 testified to that led up to Tom Sico's letter, dated
8 June 4th?
9 A. Yes. Yes.
10 Q. Okay. And do you have -- You mentioned
11 in your earlier testimony that you had a phone call
12 to Carolyn Shiver. Did you make that call?
13 A. No. I was in the office of Marty Herf,
14 the chief risk officer, upon his request. Marty
15 initiated the phone call. I was asked to explain
16 the situation to Ms. Shiver and explain, based on
17 the type of relationship and what the Bureau thought
18 that our legal opinion would be.
19 Q. And could you tell us when that phone
20 call, to the best of your knowledge, would have
21 taken place?
22 A. I'm sure with going through even more
23 e-mails -- I do not know the exact date of that
24 phone call. I'm sure I can find something, but at

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1 this time I do not know the exact date of that phone
2 call.

3 Q. We'll ask you, because part of our notice
4 of deposition was to supply file documents. I'm
5 going to ask you to follow-up on that.

6 But in relationship, however, to your
7 meeting, your face-to-face meeting with Mr. D'Alio
8 and Ms. Pasternack, could you estimate how long it
9 was after that meeting that the phone call took
10 place to Carolyn Shiver?

11 A. At this time I could not guess as to the
12 time.

13 Q. Okay. I don't want you to guess.

14 During that same time frame that the call
15 was made to Carolyn Shiver, were there any other
16 phone calls made with Marty Herf's involvement?

17 A. Not that I know of. At this time I can
18 only think of the phone call to Ms. Shiver. That's
19 the only one that Marty directly participated in.

20 Q. In your presence?

21 A. In my presence, yes.

22 Q. To be specific, you were not involved --
23 you were not present with Marty Herf if, in fact, he
24 made a phone call to Dan D'Alio?

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1 had moved its headquarters and all its corporate
2 employees to Ohio, and those corporate employees who
3 worked in the headquarters all lived and worked
4 here, first of all, would those employees that
5 worked in the corporate headquarters have been
6 covered by the workers' compensation certificate
7 issued by the Bureau?

8 MR. SEYMOUR: Objection to form.

9 THE WITNESS: Yes.

10 BY MR. LEVENTRY:

11 Q. Okay. Assuming that the -- again, the
12 headquarters and the employees were moved to the
13 state of Ohio, would the players for the 18 teams,
14 none of which were in the state of Ohio and none of
15 which played games in the state of Ohio, been
16 covered by the Bureau of Workers' Compensation
17 coverage?

18 MR. SEYMOUR: Objection to form.

19 THE WITNESS: No.

20 BY MR. LEVENTRY:

21 Q. And did you, in fact, inform Mr. D'Alio
22 and Ms. Pasternack of that position with the Bureau
23 on March 15th, 2001?

24 MR. SEYMOUR: Objection to form.

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1 A. If that happened, no, I was not in the
2 presence.

3 Q. Okay. And you were also not present for
4 a phone call made by Mr. Herf to Ms. Pasternack?

5 A. No.

6 Q. Okay. All right.

7 A. To my recollection, to the best of my
8 recollection, no.

9 Q. Who is Jerelyn Pasternack in relationship
10 to the Bureau?

11 A. Jerelyn Pasternack works for a
12 third-party administrator, which represents
13 employers' interests and assists in risk and claims
14 and/or claims management issues, and deals with the
15 Bureau of Workers' Compensation.

16 Q. It's my understanding from a proposal
17 made by R.P.C., that R.P.C. was anticipating
18 retaining Professional Risk Management, Jerelyn
19 Pasternack's company, to do the risk management for
20 the NIFL. Does that -- Would that be a proper
21 relationship there?

22 A. That would sound accurate, yes.

23 Q. Okay. Just so I'm clear on your
24 testimony regarding this coverage issue, if the NIFL

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1 THE WITNESS: Officially, no. We gave an
2 unofficial, based on what was given to us.

3 BY MR. LEVENTRY:

4 Q. So the meeting that took place on or
5 about March 15th, was an information -- was it an
6 informational meeting to discuss coverage?

7 A. Yes. Basically, it was throwing out a
8 scenario. And that's why we needed time to gather
9 additional facts so that we could provide that to
10 our law department.

11 Q. And, in fact, as of the date of that
12 meeting, the Bureau had not received an application
13 yet for coverage. Is that correct?

14 A. That would be correct, based on the dates
15 of the application, the date of the application
16 receipt, yes.

17 MR. LEVENTRY: I have no other questions.

18 MR. SEYMOUR: Just a few.

19 - - -

20 EXAMINATION

21 BY MR. SEYMOUR:

22 Q. Mr. Blateri, my name is Mike Seymour.
23 And I represent the defendants in this matter with
24 regard to a certain count in the complaint. So I

Employer
Employee

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April 13, 2001

Certified Mail & Facsimile

National Indoor Football League
Attn: Carolyn Shiver
600 Loire Ave
Lafayette, LA 70507

RE: Policies and Procedures – Applications and Workers Compensation
EFFECTIVE IMMEDIATELY

Dear Ms. Shiver:

This letter shall serve as confirmation to inform the National Indoor Football League and all participating teams of the following policies and procedures RPC Employer Services, Inc. must put into place due to the restrictions placed by the workers' compensation carrier. This will help eliminate the miscommunication and confusion between the teams, the NFL office and RPC.

- 1) All new player applications, fully and correctly completed (sample enclosed) including two forms of acceptable I-9 identification documents, must be received into our office no later than the prior Wednesday of weekend in which the player is utilized. The C110, the workers' compensation contract, must be filed with the State of Ohio before the employee/player is utilized in order for the employee/player to be covered.

PLEASE NOTE: NO player will be considered an employee/player and therefore entered into our system, which means that paychecks will not be issued nor workers compensation coverage be in place (no liability will be assumed by RPC Employer Services, Inc.) until all paperwork is completed correctly, received in our office and filed with the State of Ohio.

- 2) A Release form must be signed and received by noon, Monday of the payroll week in order for an employee/player to be terminated in our system, otherwise a management fee will be charged for each player that is active in our system.

All injured players must remain active and a management fee will be charged to the appropriate team.

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April 13, 2001

- 3) No payroll checks will be sent until wired funds are verified thru the NFL National City account. You can fax to RPC Employer Services, Inc. a copy of the wire verification to expedite the procedure.
- 4) Workers compensation accident reports must be fully completed and legible including a description of the injury/accident, return date or estimated return date and address and phone number of the medical treatment provider. The accident report must be faxed to the NFL first and will be forward to our service provider Professional Risk Management. All treatment must be approved by CRA for coverage:

CRA Managed Care Inc.

614-854-9305

All bills are the be forward to:

CRA Managed Care, Inc.

PO Box 261107

Columbus, OH 43226

614-854-9305

fax: 614-854-9307

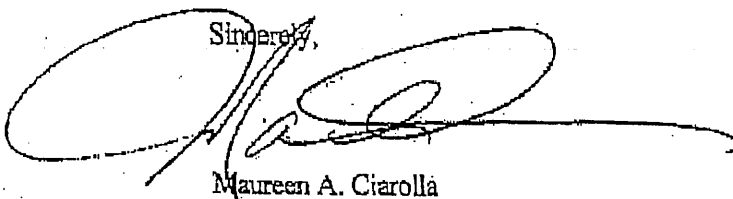
A workers compensation contact must be provided to RPC Employer Services, Inc. by each team by Tuesday April 17, 2001. A workers' compensation packet will be mail to each team the week of April 16, 2001.

It is RPC's suggestion that each team appoints a person to be responsible for the application process and a person for the workers' compensation process in order for your team to have a smooth process. These responsible people may feel free to contact me with any questions or concerns.

There will be no exceptions to the above policies and procedures.

If you have any questions, please do not hesitate to contact me. I thank you for your cooperation with respect to these policies and procedures and insuring a prosperous and effective working relationship.

Sincerely,



Maureen A. Ciarolla

Director, Human Resource Operations

1 Q. Do you know as you sit
2 here today of any teams that did not
3 comply with that request, the third
4 one?

5 A. I don't think any of them
6 would have intentionally didn't.

7 Q. That wasn't my question.

8 A. Maybe they didn't get them
9 right or something. I do remember
10 one team that sent them in and they
11 told them they got them and then the
12 next week they called them up and
13 said they are all wrong, you have to
14 do them again. But I know they all
15 sent them by their pay dates. I
16 just don't --- I do remember, but I
17 don't remember which team it was
18 that we got a call and they sent
19 them all wrong or something and they
20 all had to be redone. So, I mean,
21 we went through that learning curve,
22 yes.

23 Q. When the teams did
24 whatever it is that they did do,
25 they did it direct with Dan's office

EXHIBIT

1 A. Yes.

2 Q. So it wasn't something
3 that you called about then and said,
4 hey, these are the wrong dates.
5 We're actually running the league
6 until August and, therefore, the
7 coverage period shouldn't stop on
8 May 14th?

9 A. No, we did call whenever
10 R.P.C. pulled out and, you know,
11 made sure our certificate was okay,
12 but there actually came a bill that
13 you had to pay. And then that went
14 the next quarter, I believe. And
15 probably another bill would have
16 come for another quarter after that
17 had we continued on. I don't know
18 that, but I would guess. You know,
19 in other words, they are covering
20 you for their time period and not
21 any longer.

22 Q. So to the best of your
23 recollection, you believe that the
24 document, Number 11, or the
25 photocopy of Number 11 --- I don't

1 have the actual document
2 representing Number 11, was
3 something you received after R.P.C.
4 pulled out?

5 A. Yes.

6 (Deposition Exhibit
7 Number 12 marked for
8 identification.)

9 BY ATTORNEY SEYMOUR:

10 Q. I show you a document
11 that's been marked as Number 12.
12 Have you seen Number 12 before this
13 morning?

14 A. Yes.

15 Q. The document itself is ---
16 at least I can't see a date on it,
17 but it does refer to terminating our
18 agreement effective April 13, 2001.
19 Given that date that's within the
20 body of it, do you have any
21 recollection of when you received
22 this?

23 A. Exact recollection, April
24 16th and it was FAXed.

25 Q. Did you understand the two

1 reasons that were set forth in this
2 Number 12 for termination?

3 A. The reasons were easy to
4 understand. I didn't agree with
5 them and they weren't correct, but,
6 I mean, it's self-explanatory, yes.

7 Q. Now, it states
8 non-payment. What was your
9 understanding of the non-payment
10 that it referenced?

11 A. There could not have been
12 a non-payment, because they were
13 instructed that you do not send the
14 checks to the team until the payment
15 is made. So there's absolutely no
16 way there was a non-payment. So I
17 didn't really know what they meant
18 by that, because you couldn't have
19 paid the team without putting the
20 money in the bank to transfer it or
21 them getting the money in your
22 hands. That was the rule of the
23 whole thing. That way we didn't
24 have to worry if a team remembered
25 to do it. They simply didn't get

1 pay checks if they didn't remember
2 to do it.

3 Q. Before receiving this on
4 April 16, 2001, that is Number 12,
5 had you received any communications
6 that there was a non-payment issue?

7 A. Maureen had sent us on the
8 13th several things that we needed
9 to finish, you know, to work on.
10 You know, here's how we want to do
11 things, like that earlier memo that
12 she sent. And that was the only
13 thing. I don't think non-payment
14 was in there, because to my
15 knowledge we didn't have a
16 non-payment. We had one team that
17 when this all happened, and I just
18 came down on all the teams, one team
19 said they mailed a check,
20 overnighted, but that wouldn't have
21 mattered, because R.P.C. would have
22 had it before they mailed their
23 checks to them. I don't think that
24 there was a non-payment.

25 Q. Do you have any knowledge

1 about a check being returned for
2 insufficient funds?

3 A. I don't remember that
4 until after everything started
5 happening. And I don't know who
6 that was. I don't remember what
7 team it was. But I know that our
8 agreement with R.P.C. was everything
9 went through that bank account we
10 set up. And you don't mail the
11 checks until the money comes to
12 you. Then there's no sweat on that,
13 on any issue. You know, that's
14 exactly how we set them up.

15 Q. You believe that you did
16 receive something from Maureen on
17 the 13th; right?

18 A. I did receive something
19 from Maureen on the 13th. And it
20 was just a list of, here's what you
21 need to do kind of thing.

22 Q. Is that something you have
23 retained with your records?

24 A. Did you show me that
25 today?

1 ATTORNEY LEVENTRY:

2 I may have that. I'd
3 have to look.

4 A. I do have it, though. If
5 he doesn't have it, I have it. It
6 was kind of like, here's additional
7 information we need to get.

8 BY ATTORNEY SEYMOUR:

9 Q. Now, the second reason set
10 forth in Number 12 is
11 noncompliance. What was your
12 understanding of the noncompliance
13 reason?

14 A. They never explained
15 that. And I just always thought it
16 had to do with maybe the additional
17 things that we needed to do or
18 additional information that they
19 wanted to get from us.

20 Q. Do you know what the
21 additional information concerned?

22 A. Well, on the 13th, like I
23 said, there was a letter that
24 Maureen sent.

25 Q. Now, upon receiving Number

1 12 by FAX, what did you do in
2 response?

3 A. You can imagine I sent
4 them a rather nasty letter. You
5 know, I don't have that with me, but
6 I do have a copy of it, just telling
7 him that, number one, you don't
8 terminate an agreement and send it
9 on the 16th and say, by the way,
10 we're backdating this three days.
11 You know, and you don't terminate an
12 agreement without just cause in my
13 opinion. And I couldn't find any
14 just cause.

15 Q. Well, what did you do
16 about the issues regarding payroll
17 and Workers' Compensation for the
18 ten teams or 11 that were being
19 handled through R.P.C.?

20 A. What did we do?

21 Q. Yes.

22 A. Well, I mean, here we were
23 in the middle of a season of play.
24 And we had a certificate from Ohio
25 saying we were insured, so we went

1 ahead with the teams. And then, you
2 know, now they are all in their
3 individual state funds, a couple
4 years later.

5 Q. So for the season, the '01
6 season, did you continue to rely
7 upon the Ohio certificate for
8 Workers' Compensation?

9 A. When we talked to our
10 general liability insurance, they
11 said, number one, R.P.C. can't
12 cancel your insurance without a 30
13 day notice. And so they felt, go
14 ahead, you're insured, because they
15 can't cancel you without 30 days.
16 And we also had the Ohio
17 certificate. And it said we were
18 insured.

19 Q. So your understanding was
20 that you had 30 days, that would
21 take you to May 16th, right?

22 A. Right.

23 Q. And after May 16th, then
24 what did you rely on for Workers'
25 Comp?

1 A. We had talked to Ohio and
2 they just said get new C-110s under
3 your name and send them in.

4 Q. Do you recall who at Ohio
5 you spoke to?

6 A. No.

7 Q. And when you say we, of
8 course, it may not have been you
9 personally, is that why you're using
10 we?

11 A. I did. It was me that
12 talked to Ohio.

13 Q. Okay.

14 A. But, of course, I didn't
15 go through this whole in detail of
16 what was going on. I just said, you
17 know, I have this certificate of
18 insurance, are we insured?

19 Q. And you don't know who it
20 was that you spoke to?

21 A. No, I don't. I'm sure
22 that somewhere in my notes I wrote
23 it down, but I don't remember who it
24 was.

25 Q. So based on that

1 conversation, what was your
2 understanding then in regard to
3 Workers' Compensation?

4 A. That we moved forward. We
5 were insured.

6 Q. Do you recall how long you
7 continued to have that
8 understanding?

9 A. Ohio sent us a letter
10 maybe in June, I can't remember the
11 date, that they wouldn't cover any
12 out of state employees and we were
13 all out of state employees.

14 Q. After you received that
15 letter, what did you do about
16 Workers' Compensation?

17 A. Well, our insurance
18 company said you have a 30 day grace
19 period on any insurance, so you have
20 30 days. By that time, our season
21 was pretty much ended. So we --- by
22 then, we were like, okay, you know,
23 this is it. We've got to find a new
24 company.

25 Q. Who's this insurance

1 company telling you this?

2 A. HRH is our general
3 liability and they carry us through
4 I think it's American Fidelity
5 General or American General. They
6 were our general liability carrier.
7 And our thoughts were, okay, if we
8 don't have Work Comp, then the next
9 one back is your GL that's got to
10 pick up these claims and we really
11 need to talk to them right away and
12 let them know what's going on. So
13 we did keep HRH informed.

14 Q. Where is HRH located?

15 A. They are in Amarillo,
16 Texas.

17 Q. Did you send HRH a copy of
18 the letter that you received from
19 Ohio in June?

20 A. I don't know what I gave
21 them. I met them at the airport.

22 Q. What airport?

23 A. I don't remember. I guess
24 Dallas. Now, I was on my way to
25 traveling out west and they met me

1 at the airport. I think it was
2 Dallas. We talked about this and I
3 showed them a lot of paperwork, but
4 I don't know that I left them
5 anything.

6 Q. So through the balance of
7 the '01 season, after receiving a
8 letter from Ohio and your belief
9 that you had continued Comp coverage
10 for another 30 days, there was no
11 other Workers' Compensation for that
12 season?

13 A. And our season ended the
14 last week of July, which would have
15 taken us through that.

16 Q. Now, in the following
17 season '02, how did you arrange the
18 payrolls and the Workers'
19 Compensation?

20 A. Everybody went to their
21 state funds, so we didn't have any
22 more problems.

23 Q. Now, in terms of total
24 premiums paid for Workers'
25 Compensation for the '01 season, do

1 that the --- that they were
2 terminating the insurance with the
3 Ohio Bureau of Workers'
4 Compensation?

5 A. No, it isn't. In fact,
6 this --- HRH felt that they weren't
7 terminating the insurance.

8 Q. Did the last paragraph of
9 that letter advise you that they
10 were going to notify the Ohio Bureau
11 of Workers' Compensation that they
12 were terminating the agreement with
13 you?

14 A. Yeah, it says they are
15 going to notify Ohio Bureau of
16 Workers' Compensation that they were
17 no longer our employer firm.

18 Q. Is there anywhere in there
19 that says that your certificate of
20 insurance from the Bureau of
21 Workers' Compensation of insurance
22 was terminated?

23 A. No.

24 Q. Another question that I
25 would ask you, is Mr. Seymour asked

Apr 17 01 01:24p

P. 12

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National Indoor Football League
Attn: Carolyn Shiver
League Office
600 Loire Ave
Lafayette, LA 70507

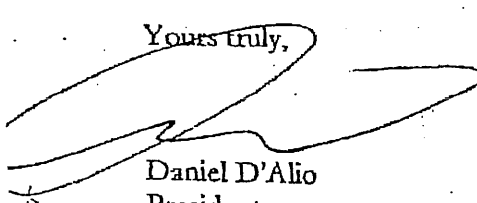
Ms. Shiver:

This letter will service as certification that RPC Employer Services, Inc. hereby is terminating our agreement effective April 13, 2001 for the reasons as follows:

Non-payment
Non-compliance

Please be advised that all agencies such as the Ohio Bureau of Workers' compensation, will be notified of this termination.

Yours truly,


Daniel D'Alio
President

CC: Bureau of Ohio Workers' Compensation
Professional Risk Management
CRA Managed Care

EXHIBIT

E

PO Box 8605, Warren, OH 44484
Phone: (800) 635-9961 Fax: (419) 821-0229
E-mail: dcdalio@employshare.com

12

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TP-555

STATE OF OHIO
BUREAU OF WORKERS' COMPENSATION
 COLUMBUS, OHIO 43215-2256
CERTIFICATE OF PREMIUM PAYMENT

This certifies that the employer listed below has paid into the State Insurance Fund as required by law. Therefore, the employer is entitled to the rights and benefits of the fund for the period specified. For more information call 1-800-OHIOBWC.

THIS CERTIFICATE MUST BE CONSPICUOUSLY POSTED.

POLICY NO. AND EMPLOYER
 1338423

PERIOD SPECIFIED BELOW
 03/30/2001 THRU 05/14/2001

PNL
 NATIONAL INDOOR FOOTBALL LEAGUE LLC
 NIFT
 PO BOX 8628
 WARREN OH 44484-0628

James Conrad
 ADMINISTRATOR

DP-22
 BWC - 1622 (REV. 3/96)

THIS CERTIFICATE MAY BE REPRODUCED AS NEEDED

002498333

Certificate issued first

EXHIBIT

tabbies

F

BUREAU OF WORKERS' COMPENSATION

COLUMBUS, OHIO 43215-2256

CERTIFICATE OF PREMIUM PAYMENT

This certifies that the employer listed below has paid into the State Insurance Fund as required by law. Therefore, the employer is entitled to the rights and benefits of the fund for the period specified. For more information call 1-800-OHIOBWC.

THIS CERTIFICATE MUST BE CONSPICUOUSLY POSTED.

POLICY NO. AND EMPLOYER

PERIOD SPECIFIED BELOW

1338423

08/30/2001 THRU 08/31/2001

NATIONAL INDOOR FOOTBALL LEAGUE LLC
NINE
PO BOX 8628
WARREN OHIO 44184-0628

DP-22
BWC - 1622 (REV. 3/95)

THIS CERTIFICATE MAY BE REPRODUCED AS NEEDED

James Connel
ADMINISTRATOR

Certificate issued second

#11

EXHIBIT

5010921

1 just allowed to speak. It was
2 Carolyn's meeting with I believe
3 prospective teams. So I mean I was
4 given ten minutes, Richard and I.

5 Q. So you went to Louisiana and
6 did you explain what you could offer?

7 A. We explained what the Employee
8 Leasing Services were.

9 Q. And what did you explain to
10 the teams as well as the NIFL people
11 that were there about providing
12 Workers' Compensation insurance?

13 A. We didn't say anything about
14 providing Workers' Compensation
15 insurance. We discussed hiring the
16 employees and that the employees
17 would be coming onto our Ohio policy
18 and that's the only way that we could
19 cover any of our employees. We also
20 discussed the ---.

21 Q. Let me just clarify this
22 record. They'd be coming onto your
23 Ohio Workers' Compensation policy?

24 A. As Ohio employees.

25 Q. And what did you explain at

1 entered into on or about March 20th,
2 2001; is that correct?

3 A. Yes.

4 Q. And was this agreement drafted
5 by the RPC? Your office prepared
6 this agreement?

7 A. Yes.

8 Q. Or was this prepared by a
9 third party on your behalf?

10 A. No.

11 Q. And were the fees negotiated?
12 The exhibit that's attached to the
13 agreement has fees on it, were they
14 negotiated with the NIFL?

15 A. With Carolyn Shiver.

16 Q. And did you do those
17 negotiations?

18 A. Yes.

19 Q. And we had already asked you
20 the question to read the fees for
21 Workers' Compensation coverage and
22 you've already answered that. Were
23 these fees comparable to fees that
24 RPC charges to other clients?

25 A. Yes. Yes, comparable.

1 and the policy that the NIFL had
2 would then take over. So when we
3 cancelled our agreement with them we
4 had no idea that they did not have
5 coverage.

6 Q. What would have even ---?

7 A. We assumed that they did have
8 coverage.

9 Q. What would lead you to believe
10 that they had coverage when you were
11 the one providing the coverage and
12 you cancelled it within 24-hour
13 notice?

14 A. Because they had Ohio Workers'
15 Compensation also?

16 Q. Who?

17 A. NIFL. They saw the
18 certificate. I just read it to you.

19 Q. Why would the NIFL also have
20 Workers' Compensation through the
21 State of Ohio?

22 A. State requires it.

23 Q. So what you're saying is ---
24 explain that to me so I understand
25 why they required and how it would

1 have been done?

2 A. Well, I don't have the
3 legislation in front of me, but my
4 interpretation of why the client has
5 to have coverage is they want to
6 protect themselves from losing money.
7 So therefore any client of a leasing
8 company has to have its own policy
9 also. My other clients in Ohio have
10 their own policy still. We just
11 don't report claims or revenue onto
12 that policy. It remains dormant. If
13 the client leaves me, then the client
14 goes back to their old policy. It
15 ensures that the client is never
16 without coverage. It ensures that
17 the state is not without an employer
18 in compliance because it would be
19 really easy to get lost in the
20 shuffle if you leave a leasing
21 company and don't get another policy.
22 So the state's really concerned that
23 they don't lose money. It also
24 protects the leasing company from a
25 client that blows up on them because

1 then the risk --- meaning lots of
2 claims. Because then the risk would
3 go back to the client so no one
4 really loses, just the client has to
5 shoulder that risk. And that's a ---
6 so it's a mutually beneficial
7 legislation for the client, the state
8 and the leasing company.

9 Q. So is this obtained as
10 coverage certificate for the NIFL, is
11 that like a dual thing? Does it
12 happen as a result of the efforts
13 that you undertook with the State of
14 Ohio or as a result of the efforts of
15 the NIFL?

16 A. The NIFL --- what do you mean
17 as the efforts?

18 Q. Well, in order for that
19 certificate to be issued, who would
20 have filed that paperwork?

21 A. Carolyn would have sent that
22 in, the application requesting them.
23 And I believe that's why they needed
24 the P.O. Box which is to have an Ohio
25 address until they moved. It didn't

1 A. RPC already had coverage. Our
2 policy had been in effect since '96,
3 same ID, same policy so it's not ---
4 we didn't submit for coverage.

5 Q. Okay.

6 A. It's just the NIFL was a new
7 employer.

8 Q. I guess what I'm trying to get
9 at is, who would have told the NIFL
10 that you have to submit an
11 application to get your own
12 certificate of premium payment?

13 A. I explained the --- I don't
14 have the form here but I'm sure
15 there's a copy somewhere. I
16 explained the form to Carolyn and in
17 a way of a benefit not to sell us out
18 of a potential job. But I explained
19 to her clearly that in Ohio, Ohio
20 employers, all Ohio employers have to
21 have Workers' Comp even if they lease
22 their employees. This form, the one
23 that she signed that I explained says
24 that we're going to report all your
25 wages under my policy. If you ever

1 leave us that means everything goes
2 back to your policy. So you're never
3 without, nor is the state without
4 coverage, because the state wants to
5 make sure they receive your money and
6 can follow you.

7 Q. So this would have been done
8 by the NIFL as part of the whole
9 process of getting signed up with
10 you?

11 A. Right. I do it with my other
12 clients. All of my clients in Ohio
13 have to do the same thing. And this
14 is the application. Do you have
15 these? You should have these. It
16 discloses the relationship.

17 ATTORNEY CAPUTO:

18 That's the document
19 that you said.

20 A. Right, right.

21 BY ATTORNEY LEVENTRY:

22 Q. Okay. So we under --- I think
23 we both --- I at least now have a
24 better understanding of this is that
25 the --- this is done as a requirement